Introduced by Committee on Transportation (Assembly Members Bonnie Lowenthal (Chair), Jeffries (Vice Chair), Achadjian, Blumenfield, Bonilla, Buchanan, Eng, Furutani, Galgiani, Logue, Miller, Portantino, and Solorio)

March 6, 2012

An act to amend Sections 935.7 and 29532.4 of the Government Code, to amend Sections 99155, 99155.5, 99206.5, 99207, 99214, 99220, 99233.12, 99238, 99238.5, 99260.7, 99262, 99268.5, 99285.2, and 99401.5 of the Public Utilities Code, to amend Sections 6480.1 and 60116 of the Revenue and Taxation Code, to amend Sections 349, 366, 374, 392, 411, 446, 478, 485, 493, 527, and 538 of, and to amend and repeal Section 410 of the Streets and Highways Code, and to repeal Section 27314.5 of the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

- AB 2679, as introduced, Committee on Transportation. Transportation: omnibus bill.
- (1) Existing law authorizes the Department of Transportation to pay claims or damages up to a maximum of \$5,000 without the approval of the California Victim Compensation and Government Claims Board.

This bill would adjust the claim limit that may be paid by the department under these provisions to equal the maximum amount of a claim that can be brought in small claims court.

(2) Existing law, the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, provides for funding of local public transit systems throughout the state and requires, among other things,

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specified special accommodations for handicapped persons, as defined, on public transit systems.

This bill would replace the term "handicapped" with the term "disabled" throughout the act.

(3) Existing law authorizes the Solano County Transportation Authority to claim up to 2% of local transportation funds available under the Transportation Development Act for countywide transit planning and coordination relative to Solano County.

This bill would authorize the authority to claim up to 2.7% of those funds for these purposes.

(4) Existing law creates transportation commissions or authorities in certain counties, including Imperial and Los Angeles Counties, with various responsibilities relating to transportation planning and programming, among other things.

This bill would update various obsolete references to the Imperial County Transportation Commission and to the Los Angeles County Metropolitan Transportation Authority to reflect their current names.

(5) Existing law provides for the California Transportation Commission to adopt locations for state highways on routes authorized by law, and provides for relinquishment of certain segments of state highways from the state to local agencies.

This bill would acknowledge the relinquishment of the portion of Route 49 in the City of Auburn, the portions of Route 66 in the Cities of Fontana, Rancho Cucamonga, Upland, and Claremont, the portions of Route 74 in the Cities of Palm Desert and Lake Elsinor, the portion of Route 92 in the City of Hayward, a portion of Route 110 in the City of Los Angeles, the portion of Route 111 in the City of Cathedral City, the portion of Route 146 in the City of Soledad, the portion of Route 178 in the City of Bakersfield, the portion of Route 185 in the City of Hayward, the portion of Route 193 in the City of Lincoln, the portions of Route 227 in the Cities of Arroyo Grande and San Luis Obispo, and the portion of Route 238 in the City of Hayward.

(6) Existing law imposes excise taxes and sales and use taxes on motor vehicle fuel, commonly known as gasoline, on jet fuel, and on diesel fuel. Existing law requires the State Board of Equalization to make specified annual adjustments to the tax rates to ensure the revenue neutrality under previously enacted statutory modifications of these tax rates, under which modifications certain taxes increased while others decreased. Existing law requires prepayment of a certain portion of the sales tax liability on these fuels based on annual estimates made by the

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State Board of Equalization that rely on a specified report of the State Energy Resources Conservation and Development Commission to determine the retail price of fuel.

This bill would require the annual adjustments to sales tax prepayment rates to be made at the same time as the annual adjustments of the fuel tax rates, and would provide for the prepayment rates to account for any changes in the fuel tax rates. The bill would delete the reference to the specified report for determining the retail price of fuels and would instead authorize the board to rely on industry publications reporting that information. The bill would make other related changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 935.7 of the Government Code is 2 amended to read:
- 935.7. (a) Notwithstanding Section 935.6, the Department of Transportation may deny or adjust and pay any claim arising out of the activities of the department without the prior approval of
- 6 the California Victim Compensation and Government Claims
 7 Board if both of the following conditions exist:
- 8 (1) The amount claimed is five thousand dollars (\$5,000) or 9 less equal to or less than the amount specified as the small claims court jurisdictional amount in Section 116.221 of the Code of Civil Procedure.

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- (2) The Director of Finance or the Director of Transportation certifies that a sufficient appropriation for the payment of the claim exists.
- 15 (b) If the department elects not to pay any claim, the department shall provide the notice required by Section 913.
 - (c) Any person who submits any claim arising out of any activity of the Department of Transportation shall comply with every other applicable provision of this part relating to claims against state agencies.
- SEC. 2. Section 29532.4 of the Government Code is amended to read:
- 23 29532.4. (a) Notwithstanding subdivision (d) of Section 29532,
- 24 the county transportation commission created in the Counties of
- 25 Los Angeles, Orange, Riverside, and San Bernardino by Division

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1 12 (commencing with Section 130000) of the Public Utilities Code 2 shall not be designated by the Director of Transportation as the 3 transportation planning agency for the area under its jurisdiction, 4 and the Imperial Valley Association of Governments in Imperial 5 County shall not be designated the transportation planning agency 6 for the area under its jurisdiction.

- (b) Notwithstanding Section 29532, for the purposes of Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code, "transportation planning agency" means the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura by Division 12 (commencing with Section 130000) of the Public Utilities Code, and also includes the Imperial Valley Association of Governments County Transportation Commission in Imperial County. The county auditor in each of those counties shall pay to the public transportation entities in the county the amounts allocated by the respective commissions or that association of governments, as the case may be.
- SEC. 3. Section 99155 of the Public Utilities Code is amended to read:
- 99155. (a) Each transit operator, whether publicly or privately funded all or in part, nonprofit or *for* profit, which offers reduced fares to senior citizens shall honor the federal Medicare identification card as sufficient identification to receive reduced fares. A transit operator which offers reduced fares to those senior citizens who are less than 65 years old shall also honor the senior citizen identification card issued pursuant to subdivision (b) of Section 13000 of the Vehicle Code.
- (b) Each transit operator, whether publicly or privately funded, in whole or in part, nonprofit or for profit, which offers reduced fares pursuant to subdivision (a) shall also offer reduced fares to handicapped disabled persons, as defined by Section 99206.5, disabled persons, as defined by Section 295.5 of the Vehicle Code, and disabled veterans, as defined by Section 295.7 of the Vehicle Code, at the same rate established for senior citizens. A transit operator shall honor the handicapped person, disabled person, or disabled veteran placard identification card issued pursuant to Section 22511.55 of the Vehicle Code.
- 39 (c) Every transit operator that offers reduced fares to 40 handicapped or disabled persons shall honor any current

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identification card that is valid for the type of transportation service or discount requested and that has been issued to an individual with a handicap or disability by another transit operator.

- (d) This section also applies to any dial-a-ride, paratransit, or nonfixed route operator which serves the handicapped or disabled, but does not apply to a private, nonprofit entity which serves the handicapped, disabled, or elderly.
- (e) Nothing in this section prohibits a transit operator from issuing its own identification card, except that no such card shall be required to be presented in addition to either a federal Medicare card or a card issued pursuant to Section 22511.55 of the Vehicle Code.
- (f) A transit operator, as defined in subdivision (b), which receives funds pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200)), shall not require that a person requesting transportation be a resident of that transit operator's service area.
- SEC. 4. Section 99155.5 of the Public Utilities Code is amended to read:
- 99155.5. (a) The Legislature intends that dial-a-ride and paratransit services be accessible to handicapped disabled persons, as defined in Section 99206.5. It is intended that transportation service be provided for employment, education, medical, and personal reasons. Transportation for individuals with disabilities is a necessity, and allows these persons to fully participate in our society.

The Legislature finds and declares that the term "paratransit," as used in the *federal* Americans with Disabilities Act of 1990 (Public Law 101-336), refers to transportation services with specific criteria of quality and quantity, and which are required to be made available to limited classes of persons based on eligibility categories; this is often referred to as "ADA paratransit" or "complementary paratransit." The Legislature finds and declares that the terms "paratransit" and "dial-a-ride," as used in the laws of this state, apply to a broader range of transportation services and that not all individuals with disabilities under the laws of this state are eligible for "ADA paratransit" under the federal law.

(b) Each transit operator, *for* profit or nonprofit, which provides, or contracts for the provision of, dial-a-ride or paratransit service for individuals with disabilities and which receives public funding

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pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200)) for that service shall provide the service without regard to either of the following:

- (1) Whether the person is a member of a household which owns a motor vehicle.
- (2) The Whether the place of residence of the person who requests transportation service is within the service area of the provider. To the extent that they are eligible for the specified service requested, all persons requesting transportation service in the service area of the provider shall be provided service on the same terms and at the same price that service is provided to other persons residing within the service area of the provider.
- (c) Subdivision (b) does not preclude a provider from offering a subscription service, and does not require a reduction in the amount the provider charges other public or private agencies.
- (d) Except as required by the *federal* Americans with Disabilities Act of 1990 (Public Law 101-336) and federal regulations adopted pursuant thereto or by higher standards prescribed by the laws of this state, nothing in this section requires any transit operator which provides service to individuals with disabilities in a manner consistent with subdivision (b) to make those services available outside the operator's established operating service area, or requires the operator to make the presentation of identification a condition to using the service.
- (e) A transit operator shall honor any current identification card which is valid for the type of transportation service or discount requested and which has been issued to an individual with disabilities by another transit operator.
- (f) Any person who believes an operator has violated Section 99155 or 99155.5 may file a report of the alleged violation with the transportation planning agency or county transportation commission. Any individual with disabilities may request the Attorney General to resolve any dispute as to compliance with Section 99155 or this section.
- SEC. 5. Section 99206.5 of the Public Utilities Code is amended to read:
- 99206.5. "Handicapped—"Disabled person" means any individual who by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including, but not limited to, any individual confined

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to a wheelchair, is unable, without special facilities or special planning or design, to utilize public transportation facilities and services as effectively as a person who is not so affected.

As used in this section, a temporary incapacity or disability is an incapacity or a disability which lasts more than 90 days.

SEC. 6. Section 99207 of the Public Utilities Code is amended to read:

- 99207. (a) "Included municipal operator" means a city or county which is included, in whole or in part, within a transit district or which has been extended the authority to join a transit district by that district's enabling legislation, and in which city or county public transportation services have continuously been provided, since at least January 1, 1971, by the city or county, by a nonprofit corporation or other legal entity wholly owned by the city or county, or by the University of California.
- (b) "Included municipal operator" also means the City and County of San Francisco and the Counties of Alameda and Contra Costa with respect to any portion of the unincorporated area thereof, and any city in those counties, which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission, from any of the transit districts which includes the county or city, taking into consideration, among other things, the amount of such services needed in the county or city, the cost to provide such services, and the amount of such services provided in other areas of the transit district as compared to their needs.
- (c) "Included municipal operator" also means any city within the County of Sacramento which (1) is outside the activated boundaries of the Sacramento Regional Transit District, (2) contracts with the district for transit services, and (3) provides local transit services within the city that the Sacramento Area Council of Governments annually determines can be better provided by the city than the district, taking into consideration, among other things, the amount and the nature of the services required in the city, the ability of the district to provide the services, the coordination of the services with district services, the remoteness of the city in relation to other district services, the cost of providing the services, the funds available to provide the

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services, and the amount of services provided in other areas of the 2 district compared to their needs.

- 3 (d) "Included municipal operator" also means any city or 4 unincorporated area within the County of Los Angeles (1) that is 5 not receiving adequate local public transportation services, as determined by the Los Angeles County Transportation Commission 6 7 Metropolitan Transportation Authority, from either the Southern 8 California Rapid Transit District or any currently "included municipal operator" as defined in this section, and (2) that meets 10 the criteria established by the Los Angeles County—Transportation 11 Commission Metropolitan Transportation Authority, taking into 12 consideration, among other things, the cost to provide such 13 services, the amount of such services needed in the county or city, 14 the funds available to provide such services, and the amount of 15 such services provided in other areas of the county as compared 16 to their needs.
- SEC. 7. Section 99214 of the Public Utilities Code is amended 18 to read:
 - 99214. (a) "Transportation planning agency" means the entity designated in Section 29532 of the Government Code.
 - (b) "Transportation planning agency" also includes, for purposes of this chapter, the county transportation commissions created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura pursuant to Division 12 (commencing with Section 130000).
 - (c) "Transportation planning agency" also includes, for purposes of this chapter, the Imperial Valley Association of Governments County Transportation Commission in Imperial County.
 - SEC. 8. Section 99220 of the Public Utilities Code is amended to read:
 - 99220. The Legislature finds and declares as follows:
 - (a) Public transportation is an essential component of the balanced transportation system which must be maintained and developed so as to permit the efficient and orderly movement of people and goods in the urban areas of the state. Because public transportation systems provide an essential public service, it is desirable that such systems be designed and operated in such a manner as to encourage maximum utilization of the efficiencies of the service for the benefit of the total transportation system of the state and all the people of the state, including the elderly, the

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handicapped disabled, the youth, and the citizens of limited means of the ability to freely utilize the systems.

- (b) The fostering, continuance, and development of public transportation systems are a matter of state concern. Excessive reliance on the private automobile for transportation has caused air pollution and traffic congestion in California's urban areas, and such pollution and congestion are not confined to single incorporated areas but affect entire regions. Furthermore, public transportation systems which are not designed so as to be usable by—handicapped disabled persons foster increased welfare costs and the waste of human resources. Thus, the Legislature has elected to deal with the multiple problems caused by lack of adequate public transportation on a regional basis through the counties, with coordination of the programs being the responsibility of the state pursuant to contract with county governments.
- (c) While providing county assistance to a particular transportation system may not be of primary interest and benefit to each and every taxpayer in a county, providing an integrated and coordinated system to meet the public transportation needs of an entire county will benefit the county as a whole. It is the purpose of this chapter to provide for such systems in those counties where they are needed.
- (d) The local transportation funds authorized by Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code are made possible by the imposition of the state's sales and use taxes on motor vehicle fuel, which allows for a reduction in state taxes without a corresponding loss in revenue. By authorizing counties to increase their sales and use taxes, an additional source of revenue has been made available for public transportation within such counties. Applicants for a disbursement from a local transportation fund shall only be eligible for an allocation from the fund of the county in which such transportation is provided.
- SEC. 9. Section 99233.12 of the Public Utilities Code is amended to read:
- 99233.12. Notwithstanding anything in Sections 99233 to 99233.9, inclusive, to the contrary, the Solano Transportation Authority may file a claim, and the transportation planning agency may allocate, for the area representing the cumulative areas of the authority's member agencies, up to 2.7 percent of annual

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1 revenues for countywide transit planning and coordination purposes 2 relative to Solano County. Funds allocated to the authority pursuant 3 to this section shall be allocated after allocations are made pursuant 4 to Sections 99233.1 and 99233.2 but prior to other allocations.

SEC. 10. Section 99238 of the Public Utilities Code is amended to read:

99238. Each transportation planning agency shall provide for the establishment of a social services transportation advisory council for each county, or counties operating under a joint powers agreement, which is not subject to the apportionment restriction established in Section 99232.

- (a) The social services transportation advisory council shall consist of the following members:
- (1) One representative of potential transit users who is 60 years of age or older.
- (2) One representative of potential transit users who is handicapped disabled.
- (3) Two representatives of the local social service providers for seniors, including one representative of a social service transportation provider, if one exists.
- (4) Two representatives of local social service providers for the handicapped disabled, including one representative of a social service transportation provider, if one exists.
- (5) One representative of a local social service provider for persons of limited means.
- (6) Two representatives from the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists.
- (7) The transportation planning agency may appoint additional members in accordance with the procedure prescribed in subdivision (b).
- (b) Members of the social services transportation advisory council shall be appointed by the transportation planning agency which shall recruit candidates for appointment from a broad representation of social service and transit providers representing the elderly, the handicapped disabled, and persons of limited means. In appointing council members, the transportation planning agency shall strive to attain geographic and minority representation among council members. Of the initial appointments to the council,

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one-third of them shall be for a one-year term, one-third shall be for a two-year term, and one-third shall be for a three-year term. Subsequent to the initial appointment, the term of appointment shall be for three years, which may be renewed for an additional three-year term. The transportation planning agency may, at its discretion, delegate its responsibilities for appointment pursuant to this subdivision to the board of supervisors.

(c) The social services transportation advisory council shall have the following responsibilities:

- (1) Annually participate in the identification of transit needs in the jurisdiction, including unmet transit needs that may exist within the jurisdiction of the council and that may be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services.
- (2) Annually review and recommend action by the transportation planning agency for the area within the jurisdiction of the council which finds, by resolution, that (A) there are no unmet transit needs, (B) there are no unmet transit needs that are reasonable to meet, or (C) there are unmet transit needs, including needs that are reasonable to meet.
- (3) Advise the transportation planning agency on any other major transit issues, including the coordination and consolidation of specialized transportation services.
- (d) It is the intent of the Legislature that duplicative advisory councils shall not be established where transit advisory councils currently exist and that those existing advisory councils shall, instead, become part of the social services transportation advisory council and shall assume any new responsibilities pursuant to this section.
- SEC. 11. Section 99238.5 of the Public Utilities Code is amended to read:
- 99238.5. (a) The transportation planning agency shall ensure the establishment and implementation of a citizen participation process appropriate for each county, or counties if operating under a joint powers agreement, utilizing the social services transportation advisory council as a mechanism to solicit the input of transit dependent and transit disadvantaged persons, including the elderly, handicapped disabled, and persons of limited means. The process shall include provisions for at least one public hearing in the

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jurisdiction represented by the social services transportation advisory council. Hearings shall be scheduled to ensure broad community participation and, if possible, the location of the hearings shall be rotated among the various communities within the advisory council's jurisdiction. Notice of the hearing, including the date, place, and specific purpose of the hearing shall be given at least 30 days in advance through publication in a newspaper of general circulation. The transportation planning agency shall also send written notification to those persons and organizations which have indicated, through its citizen participation or any other source of information, an interest in the subject of the hearing.

- (b) In addition to public hearings, the transportation planning agency shall consider other methods of obtaining public feedback on public transportation needs. Those methods may include, but are not limited to, teleconferencing, questionnaires, telecanvassing, and electronic mail.
- SEC. 12. Section 99260.7 of the Public Utilities Code is amended to read:
- 99260.7. In order to provide, or to contract to provide, transportation services using vehicles for the exclusive use of elderly or handicapped disabled persons, a city or a county, which is contributing funds it is eligible to receive under this article to a joint powers agency of which it is a member to operate a public transportation system, may also file a claim under this article and may also file a claim for funds made available pursuant to Section 99313.
- SEC. 13. Section 99262 of the Public Utilities Code is amended to read:
- 99262. Claims for public transportation systems may include claims for money for all purposes necessary and convenient to the development and operation of the system, including planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles (including those usable by handicapped disabled persons), and system operation, maintenance, and repair, payment for any of which purposes may take the form of direct expenditures or payment of principal and interest on equipment trust certificates, bonded or other indebtedness, or any amounts in accomplishment of a defeasance of any outstanding revenue bond indenture.

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SEC. 14. Section 99268.5 of the Public Utilities Code is amended to read:

99268.5. (a) Commencing with claims for the 1980–81 fiscal year, no funds shall be allocated under this article in any fiscal year to an operator providing services using vehicles for the exclusive use of elderly and handicapped disabled persons, unless the operator maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, for those services at least equal to one-tenth or to the ratio it had for those services during the 1978–79 fiscal year, whichever is greater.

- (b) Notwithstanding subdivision (a), an operator which provides both exclusive transportation services for elderly and handicapped disabled persons and regular scheduled public transportation services may be allocated funds under this article for the exclusive service if the combined services qualify under Section 99268.1, 99268.2, 99268.3, or 99268.4, as the case may be, and the ratio of fare revenues to operating cost for the combined service shall not be less than the ratio required in order to make allocations to the operator for its regular scheduled services.
- (c) In a county which had less than 500,000 population as determined by the 1970 federal decennial census and more than 500,000 in population as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal to one-fifth if serving an urbanized area or one-tenth if serving a nonurbanized area.
- SEC. 15. Section 99285.2 of the Public Utilities Code is amended to read:
- 99285.2. (a) Notwithstanding subdivision (a) of Section 99285, any county transportation commission created pursuant to Division 12 (commencing with Section 130000) may adopt a resolution electing to approve the proposals to be funded and shall approve only those claims submitted for its approval.
- (b) Notwithstanding subdivision (a) of Section 99285, for the County of Imperial, the Imperial Valley Association of Governments shall submit to the transportation planning agency those proposals to be funded, and the transportation planning agency shall approve only those claims submitted for those proposals. Alternatively, the Imperial Valley Association of

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1 Governments may adopt a resolution electing to approve the 2 proposals to be funded and shall approve only those claims 3 submitted for those proposals.

- SEC. 16. Section 99401.5 of the Public Utilities Code is amended to read:
- 99401.5. Prior to making any allocation not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles, or any allocation for purposes of subdivision (f) of Section 99400, the transportation planning agency shall annually do all of the following:
- (a) Consult with the social services transportation advisory council established pursuant to Section 99238.
- (b) Identify the transit needs of the jurisdiction which have been considered as part of the transportation planning process, including the following:
- (1) An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the handicapped disabled, including individuals eligible for paratransit and other special transportation services pursuant to Section 12143 of Title 42 of the United States Code (the, the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101, et seq.)) et seq.), and persons of limited means, including, but not limited to, recipients under the CalWORKs program.
- (2) An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services necessary to implement the plan prepared pursuant to Section 12143(c)(7) of Title 42 of the United States Code, in meeting the transit demand identified pursuant to paragraph (1).
- (3) An analysis of the potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.
- (4) An analysis of the need to acquire or lease vans and related equipment for a farmworker vanpool program pursuant to subdivision (f) of Section 99400. This analysis is only required, however, upon receipt by the transportation planning agency of a request of an interested party identifying a potential need.

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(c) Identify the unmet transit needs of the jurisdiction and those needs that are reasonable to meet. The transportation planning agency shall hold at least one public hearing pursuant to Section 99238.5 for the purpose of soliciting comments on the unmet transit needs that may exist within the jurisdiction and that might be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services. The definition adopted by the transportation planning agency for the terms "unmet transit needs" and "reasonable to meet" shall be documented by resolution or in the minutes of the agency. The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet. An agency's determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

- (d) Adopt by resolution a finding for the jurisdiction, after consideration of all available information compiled pursuant to subdivisions (a), (b), and (c). The finding shall be that (1) there are no unmet transit needs, (2) there are no unmet transit needs that are reasonable to meet, or (3) there are unmet transit needs, including needs that are reasonable to meet. The resolution shall include information developed pursuant to subdivisions (a), (b), and (c) which provides the basis for the finding.
- (e) If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall be funded before any allocation is made for streets and roads within the jurisdiction.
- (f) The transportation planning agency shall not allocate funds for purposes of subdivision (f) of Section 99400 until all of the capital and operating funds necessary to meet unmet transit needs that are reasonable to meet are allocated. The transportation planning agency shall not reduce funding to existing public transportation services, specialized transportation services, or facilities for the exclusive use of pedestrians and bicycles in order to allocate funds for purposes of subdivision (f) of Section 99400. The transportation planning agency shall not allocate funds under subdivision (f) of Section 99400 if the allocation replaces other federal, state, or local funds used to fund commuter vanpools by a county, city, transportation planning agency, or transit district.

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1 SEC. 17. Section 6480.1 of the Revenue and Taxation Code 2 is amended to read:

3 6480.1. (a) At any time that motor vehicle fuel tax or diesel 4 fuel tax is imposed or would be imposed, but for the dyed diesel fuel exemption in paragraph (1) of subdivision (a) of Section 5 60100, or the train operator exemption in paragraph (7) of 6 7 subdivision (a) of Section 60100 or paragraph (11) of subdivision 8 (a) of Section 7401, or, pursuant to subdivision (f) of Section 6480, would be deemed to be imposed, on any removal, entry, or sale in this state of motor vehicle fuel, aircraft jet fuel, or diesel fuel, the 10 supplier shall collect prepayment of retail sales tax from the person 11 to whom the motor vehicle fuel, aircraft jet fuel, or diesel fuel is 12 sold. However, if no sale occurs at the time of imposition of motor 13 vehicle fuel tax or diesel fuel tax, the supplier shall prepay the 14 15 retail sales tax on that motor vehicle fuel, aircraft jet fuel, or diesel fuel. The prepayment required to be collected by the supplier 16 17 constitutes a debt owed by the supplier to this state until paid to the board, until satisfactory proof has been submitted to prove that 18 19 the retailer of the fuel has paid the retail sales tax to the board, or 20 until a supplier or wholesaler who has consumed the fuel has paid 21 the use tax to the board. Each supplier shall report and pay the 22 prepayment amounts to the board, in a form as prescribed by the board, in the period in which the fuel is sold. On each subsequent 23 sale of that fuel, each seller, other than the retailer, shall collect 24 25 from his or her purchaser a prepayment computed using the rate applicable at the time of sale. Each supplier shall provide his or 26 her purchaser with an invoice for, or other evidence of, the 27 28 collection of the prepayment amounts which shall be separately 29 stated thereon.

- (b) (1) A wholesaler shall collect prepayment of the retail sales tax from the person to whom the motor vehicle fuel, aircraft jet fuel, or diesel fuel is sold. Each wholesaler shall provide his or her purchaser with an invoice for or other evidence of the collection of the prepayment amounts, which shall be separately stated thereon.
- (2) Each wholesaler shall report to the board, in a form as prescribed by the board and for the period in which the motor vehicle fuel, aircraft jet fuel, or diesel fuel was sold, all of the following:

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(A) The number of gallons of fuel sold and the amount of sales tax prepayments collected by the wholesaler.

- (B) The number of tax-paid gallons purchased and the amount of sales tax prepayments made by the wholesaler.
- (C) In the event that the amount of sales tax prepayments collected by the wholesaler is greater than the amount of sales tax prepayments made by the wholesaler, then the excess constitutes a debt owed by the wholesaler to the state until paid to the board, or until satisfactory proof has been submitted that the retailer of the fuel has paid the tax to the board.
- (c) A supplier or wholesaler who pays the prepayment and issues a resale certificate to the seller, but subsequently consumes the motor vehicle fuel, aircraft jet fuel, or diesel fuel, shall be entitled to a credit against his or her sales and use taxes due and payable for the period in which the prepayment was made, provided that he or she reports and pays the use tax to the board on the consumption of that fuel.
- (d) The amount of a prepayment paid by the retailer or a supplier or wholesaler who has consumed the motor vehicle fuel, aircraft jet fuel, or diesel fuel to the seller from whom he or she acquired the fuel shall constitute a credit against his or her sales and use taxes due and payable for the period in which the sale was made. Failure of the supplier or wholesaler to report prepayments or the supplier's or wholesaler's failure to comply with any other duty under this article shall not constitute grounds for denial of the credit to the retailer, supplier, or wholesaler, either on a temporary or permanent basis or otherwise. To be entitled to the credit, the retailer, supplier, or wholesaler shall retain for inspection by the board any receipts, invoices, or other documents showing the amount of sales tax prepaid to his or her supplier, together with the evidence of payment.
- (e) The rate of the prepayment required to be collected during the period from July 1, 1986, through March 31, 1987, shall be four cents (\$0.04) per gallon of motor vehicle fuel distributed or transferred.
- (f) The rate of prepayment required to be collected for motor vehicle fuel, aircraft jet fuel, and diesel fuel as established by the board in effect on January 1, 2013, shall remain in effect through June 30, 2013.

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(g) On-April July 1 of each succeeding year, the prepayment rate per gallon for motor vehicle fuel, rounded to the nearest one-half of one cent (\$0.005), of the required prepayment shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales tax) as determined reported by the State Energy Resources Conservation and Development Commission, in its latest publication of the "Quarterly Oil Report," an industry publication of all grades of gasoline sold through a self-service gasoline station. In the event the "Quarterly Oil Report" is delayed or discontinued, the board may base its determination on other sources of the arithmetic average selling price of gasoline. The board shall make its determination of the rate no later than November March 1 of the same year prior to as the effective date of the new rate. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January May 1, notify by mail every supplier, wholesaler, and retailer of motor vehicle fuel. In the event the price of fuel decreases or increases or an exemption from sales tax for sales of fuel is enacted, and the established rate results in or could result in prepayments which consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(g)

(h) On-April July 1 of each succeeding year, the prepayment rate per gallon for aircraft jet fuel, rounded to the nearest one-half of one cent (\$0.005), shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales and state excise tax) as determined by the board. The board shall make its determination of the rate no later than-November March 1 of the year prior to the effective date of the new rate. The rate of the prepayment required to be collected for aircraft jet fuel shall be equal to 80 percent of the arithmetic average selling price of aircraft jet fuel as specified by industry publications. Immediately upon making its determination and setting of the rate, the board shall each year, no later than-January May 1, notify-by-mail every

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supplier, wholesaler, and retailer of aircraft jet fuel. In the event the price of aircraft jet fuel decreases or increases, and the established rate results in prepayments that consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

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(i) On—April July 1 of each succeeding year, the prepayment rate per gallon for diesel fuel, rounded to the nearest one-half of one cent (\$0.005), shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 6051.8, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales and state excise tax) as determined by the board. The board shall make its determination of the rate no later than November March 1 of the same year prior to as the effective date of the new rate. The rate of the prepayment required to be collected for diesel fuel shall be equal to 80 percent of the arithmetic average selling price of diesel fuel as specified by industry publications. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January May 1, notify by mail every supplier, wholesaler, and retailer of diesel fuel. In the event the rate of sales tax imposed on sales of diesel fuel increases or decreases or the price of diesel fuel decreases or increases, and the established rate results in or could result in prepayments that consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(i)

- (j) (1) Notwithstanding any other provision of this section, motor vehicle fuel sold by a supplier or wholesaler to a qualified purchaser who, pursuant to a contract with the State of California or its instrumentalities, resells that fuel to the State of California or its instrumentalities shall be exempt from the prepayment requirements.
- (2) A qualified purchaser who acquires motor vehicle fuel for subsequent resale to the State of California or its instrumentalities pursuant to this subdivision shall furnish to the supplier or wholesaler from whom the fuel is acquired an exemption certificate, completed in accordance with any instructions or regulations as the board may prescribe. The supplier or wholesaler

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shall retain the certificate in his or her records in support of the exemption. To qualify for the prepayment exemption, both of the following conditions shall apply:

- (A) The qualified purchaser does not take possession of the fuel at any time.
- (B) The fuel is delivered into storage tanks owned or leased by the State of California or its instrumentalities via facilities of the supplier or wholesaler, or by common or contract carriers under contract with the supplier or wholesaler.
- (3) For purposes of this subdivision, "qualified purchaser" means a wholesaler who does not have or maintain a storage facility or facilities for the purpose of selling motor vehicle fuel.
- SEC. 18. Section 60116 of the Revenue and Taxation Code is amended to read:
- 60116. (a) Commencing on January 1, 1998, and on each January 1-thereafter up to and including January 1, 2013, the board shall establish a tax rate per gallon, rounded to the nearest tenth of a cent, by multiplying the average retail price per gallon (including the federal excise tax and excluding the state excise tax and the sales and use tax) of diesel fuel sold in this state by a percentage equal to the combined state and local sales tax rate established by Part 1 (commencing with Section 6001) and Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code and Section 35 of Article XIII of the California Constitution. The average retail price per gallon shall be the average of weekly retail prices for the 12-month period ending August 31 of the year prior to the effective date of the new rate. In determining the average retail price per gallon, the board shall use the weekly average retail price published by the State Energy Resources Conservation and Development Commission, in its publication "Fuel Price And Supply Update." In the event the "Fuel Price And Supply Update" is delayed or discontinued, the board may base its determination on other sources of the average retail price of diesel fuel. The board shall make its determination of the rate no later than October 1 of the year prior to the effective date of the new rate.
- (b) The tax rate established by the board on January 1, 2013, shall remain in effect only through June 30, 2013.
- 39 (c) Commencing on July 1, 2013, and on each July 1 thereafter, 40 the board shall establish a tax rate per gallon, rounded to the

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- 1 nearest one-tenth of one cent (\$0.001), by multiplying the average
- 2 retail price per gallon (including the federal excise tax and
- 3 excluding the state excise tax and the sales and use tax) of diesel
- 4 fuel sold in this state by a percentage equal to the combined state
- 5 and local sales tax rate established by Part 1 (commencing with
- 6 Section 6001) and Part 1.5 (commencing with Section 7200) of
- 7 Division 2 of the Revenue and Taxation Code and Section 35 of
- 8 Article XIII of the California Constitution. The average retail price
- 9 per gallon shall be the average of weekly retail prices for the
- 10 12-month period ending on the last day of January prior to the
- 11 effective date of the new rate. In determining the average retail
- 12 price per gallon, the board shall use the weekly average retail
- 13 price as reported by the United States Energy Information
- 14 Administration (EIA). In the event the EIA information is delayed
- 15 or discontinued, the board may base its determination on other
- 16 sources of the average retail price of diesel fuel. The board shall
- 17 make its determination of the rate no later than March 1 of the
- 18 same year as the effective date of the new rate.
 19 SEC. 19. Section 349 of the Streets and Highways Code is
 - amended to read: 349. (a) Route 49 is from:

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- (1) Route 41 near Oakhurst to Route 140 at Mariposa.
- (2) Route 140 at Mariposa to Route 120 near Moccasin.
- (3) Route 120 near Chinese Camp to Route 80 near Auburn via the vicinity of Sonora; via Angels Camp, San Andreas, and Jackson; and via the vicinity of El Dorado, Diamond Springs, and Placerville.
 - (4) Route 80 near Auburn to Route 20 in Grass Valley.
- 29 (5) Route 20 at Nevada City to Route 89 near Sattley via 30 Downieville.
- 31 (6) Route 89 near Sierraville to Route 70 near Vinton via 32 Loyalton.
 - (b) (1) The commission may relinquish to the City of Auburn the portion of Route 49 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, if the department and the city enter into
- 36 best interests of the state, if the department and the city enter into
- 37 an agreement providing for that relinquishment.
- 38 (2) A relinquishment under this subdivision shall become 39 effective immediately following the county recorder's recordation

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1 of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

- (3) On and after the effective date of the relinquishment, the relinquished portion of Route 49 shall cease to be a state highway.
- (4) The portion of Route 49 relinquished under this subdivision shall be ineligible for future adoption under Section 81.
- (5) For the portion of Route 49 that is relinquished under this subdivision, the City of Auburn shall maintain within its jurisdiction, signs directing motorists to the continuation of Route 49. The city may apply to the department for approval of a business route designation in accordance with Chapter 20, Topic 21, of the Highway Design Manual.
- (b) The relinquished former portion of Route 49 within the City of Auburn is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 49, the City of Auburn shall maintain within its jurisdiction signs directing motorists to the continuation of Route 49. The city may apply to the department for approval of a business route designation in accordance with Chapter 20, Topic 21, of the Highway Design Manual.
- SEC. 20. Section 366 of the Streets and Highways Code is amended to read:
 - 366. (a) Route 66 is from:
- (1) Route 210 near San Dimas to the Los Angeles-San Bernardino county line at the western city limit of the City of Upland.
- (2) The eastern city limit of the City of Fontana near Maple Avenue to Route 215 in San Bernardino.
- (b) The relinquished former portions of Route 66 within the city limits of the Cities of Fontana, Rancho Cucamonga, and Upland are not state highways and are not eligible for adoption under Section 81. For the portions of Route 66 relinquished under this section, the Cities of Fontana, Rancho Cucamonga, and Upland shall maintain within their respective jurisdictions signs directing motorists to the continuation of Route 66 and ensure the continuity of traffic flow on the relinquished portions of Route 66, including any traffic signal progression.
- (c) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Claremont—and the City of Rialto the respective portion of Route 66 that is located within the city limits

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or the sphere of influence of-each the city, upon terms and conditions the commission finds to be in the best interests of the state.

- (2) A relinquishment under this subdivision shall become effective immediately following the recordation by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (3) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 66 relinquished under this subdivision shall cease to be a state highway.
- (B) The portion of Route 66 relinquished under this subdivision may not be considered for future adoption under Section 81.
- (4) The City of Claremont-and the City of Rialto shall ensure the continuity of traffic flow on the relinquished portion of Route 66, including any traffic signal progression.
- (5) For the relinquished portions portion of Route 66, the City of Claremont and the City of Rialto shall maintain signs directing motorists to the continuation of Route 66.
- SEC. 21. Section 374 of the Streets and Highways Code is 22 amended to read:
 - 374. (a) Route 74 is from:

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- (1) Route 5 near San Juan Capistrano to Route 15 near Lake Elsinore.
 - (2) Route 15 near Lake Elsinore to Route 215 near Perris.
- (3) Route 215 near Perris to the southern city limit of Palm Desert.
- 29 (4) Highway 111 in Palm Desert to Route 10 near Thousand 30 Palms.
 - (b) The relinquished former portion of Route 74 within the City of Palm Desert is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 74, the City of Palm Desert shall maintain within its jurisdiction signs directing motorists to the continuation of Route 74.
 - (c) (1) The commission may relinquish to the City of Lake Elsinore the portion of Route 74 located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state.

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(2) Any relinquishment agreement shall require that the City of Lake Elsinore administer the operation and maintenance of the highway in a manner consistent with professional traffic engineering standards.

- (3) Any relinquishment agreement shall require the City of Lake Elsinore to ensure that appropriate traffic studies or analyses will be performed to substantiate any decisions affecting the highway.
- (4) Any relinquishment agreement shall also require the City of Lake Elsinore to provide for public notice and the consideration of public input on the proximate effects of any proposed decision on traffic flow, residences, or businesses, other than a decision on routine maintenance.
- (5) Notwithstanding any of its other terms, any relinquishment agreement shall require the City of Lake Elsinore to indemnify and hold the department harmless from any liability for any claims made or damages suffered by any person, including a public entity, as a result of any decision made or action taken by the City of Lake Elsinore, its officers, employees, contractors, or agents, with respect to the design, maintenance, construction, or operation of that portion of Route 74 that is to be relinquished to the city.
- (6) A relinquishment under this subdivision shall become effective immediately after the county recorder records the relinquishment resolution that contains the commission's approval of the terms and conditions of the relinquishment.
- (7) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 74 relinquished shall cease to be a state highway.
- (B) The portion of Route 74 relinquished may not be considered for future adoption under Section 81.
- (8) The City of Lake Elsinore shall ensure the continuity of traffic flow on the relinquished portion of Route 74, including any traffic signal progression.
- (9) For relinquished portions of Route 74, the City of Lake Elsinore shall maintain signs directing motorists to the continuation of Route 74.
- (d) (1) The commission may relinquish to the City of Perris the portion of Route 74 located within the city limits of that city between Seventh Street and Redlands Avenue, upon terms and

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1 conditions the commission finds to be in the best interests of the 2 state.

- (2) Any relinquishment agreement shall require that the City of Perris administer the operation and maintenance of the highway in a manner consistent with professional traffic engineering standards.
- (3) Any relinquishment agreement shall require the City of Perris to ensure that appropriate traffic studies or analyses will be performed to substantiate any decisions affecting the highway.
- (4) Any relinquishment agreement shall also require the City of Perris to provide for public notice and the consideration of public input on the proximate effects of any proposed decision on traffic flow, residences, or businesses, other than a decision on routine maintenance.
- (5) Notwithstanding any of its other terms, any relinquishment agreement shall require the City of Perris to indemnify and hold the department harmless from any liability for any claims made or damages suffered by any person, including a public entity, as a result of any decision made or action taken by the City of Perris, its officers, employees, contractors, or agents, with respect to the design, maintenance, construction, or operation of that portion of Route 74 that is to be relinquished to the city.
- (6) A relinquishment under this subdivision shall become effective immediately after the county recorder records the relinquishment resolution that contains the commission's approval of the terms and conditions of the relinquishment.
- (7) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 74 relinquished shall cease to be a state highway.
- (B) The portion of Route 74 relinquished may not be considered for future adoption under Section 81.
- (8) The City of Perris shall ensure the continuity of traffic flow on the relinquished portion of Route 74, including any traffic signal progression.
- (9) For relinquished portions of Route 74, the City of Perris shall maintain signs directing motorists to the continuation of Route 74.
- 39 SEC. 22. Section 392 of the Streets and Highways Code is 40 amended to read:

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1 392. (a) Route 92 is from:

- 2 (1) Route 1 near Half Moon Bay to Route 280.
 - (2) Route 280 to Route 580 near Castro Valley and Hayward.
 - (b) (1) The commission may relinquish to the City of Hayward the portion of Route 92 located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, if the department and the city enter into an agreement providing for that relinquishment.
 - (2) A relinquishment under this subdivision shall become effective immediately after the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
 - (3) On and after the effective date of the relinquishment, both of the following shall occur:
 - (A) The portion of Route 92 relinquished shall cease to be a state highway.
 - (B) The portion of Route 92 relinquished shall be ineligible for future adoption under Section 81.
 - (4) For relinquished portions of Route 92, the City of Hayward shall maintain signs within its jurisdiction directing motorists to the continuation of Route 92 or to the state highway system, as applicable.
 - (b) The relinquished former portion of Route 92 within the City of Hayward is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 92, the City of Hayward shall maintain within its jurisdiction signs directing motorists to the continuation of Route 92 or to the state highway system, as applicable.
 - SEC. 23. Section 410 of the Streets and Highways Code, as amended by Section 30 of Chapter 525 of the Statutes of 2003, is amended to read:
- 410. (a) Route 110 is from Route 47 in San Pedro to GlenarmStreet in Pasadena.
- 34 (b) The relinquished former-portion portions of Route 110 that 35 is are located between 9th Street and Gaffey Street in the City of 36 Los Angeles and Glenarm Street and Colorado Boulevard in 37 Pasadena-is are not-a state-highway highways and-is are not eligible 38 for adoption under Section 81. For the relinquished former portions

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maintain within their respective jurisdictions signs directing
 motorists to the continuation of Route 110.
 SEC. 24. Section 410 of the Streets and Highways Code, as

- SEC. 24. Section 410 of the Streets and Highways Code, as added by Section 1 of Chapter 669 of the Statutes of 2008, is repealed.
- 410. (a) Route 110 is from 9th Street in San Pedro to Glenarm Street in Pasadena.
- (b) The relinquished former portion of Route 110 that is located between Glenarm Street and Colorado Boulevard in Pasadena is not a state highway and is not eligible for adoption under Section 81
- (c) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Los Angeles the portion of Route 110 located within the city limits from Route 47 to 9th Street pursuant to the terms of a cooperative agreement between the city and the department, upon a determination by the commission that the relinquishment is in the best interests of the state.
- (2) A relinquishment under this subdivision shall become effective immediately following the recordation by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (3) On and after the effective date of the relinquishment, all of the following shall occur:
- (A) The portion of Route 110 relinquished under this subdivision shall cease to be a state highway.
- (B) The portion of Route 110 relinquished under this subdivision may not be considered for future adoption under Section 81.
- (C) Route 110 shall be from Route 47 in San Pedro to Glenarm Street in Pasadena.
- (4) For the portion of Route 110 that is relinquished under this subdivision, the city shall maintain within its jurisdiction signs directing motorists to the continuation of Route 110.
- 34 SEC. 25. Section 411 of the Streets and Highways Code is 35 amended to read:
- 36 411. (a) Route 111 is from:

- 37 (1) The international border south of Calexico to Route 78 near38 Brawley, passing east of Heber.
- 39 (2) Route 78 near Brawley to Route 86 via the north shore of 40 the Salton Sea.

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1 (3) The western city limits of Cathedral City to Route 10 near 2 Whitewater.

- 3 (b) The relinquished former portions of Route 111 within the
 4 Cities of Cathedral City, Indian Wells, Indio, La Quinta, Palm
 5 Desert, and Rancho Mirage are not state highways and are not
 6 eligible for adoption under Section 81. The Cities of For the
 7 relinquished former portions of Route 111, the Cities of Cathedral
 8 City, Indian Wells, Indio, La Quinta, and Palm Desert, as
 9 applicable, shall maintain within their respective jurisdictions signs
 10 directing motorists to the continuation of Route 111.
 - SEC. 26. Section 446 of the Streets and Highways Code is amended to read:
 - 446. (a) Route 146 is from:
 - (1) Route 101 near Soledad to Pinnacles National Monument.
 - (2) Pinnacles National Monument to Route 25 in Bear Valley.
 - (b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Soledad the portion of Route 146 within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state. The relinquished former portion of Route 146 within the City of Soledad is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 146, the City of Soledad shall maintain within its jurisdiction signs directing motorists to the continuation of Route 146 until the entire route has been relinquished.

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(1) Notwithstanding subdivision (a), the commission may relinquish to the County of Monterey the portion of Route 146 within the limits of that county, upon terms and conditions the commission finds to be in the best interests of the state.

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(2) Notwithstanding subdivision (a), the commission may relinquish to the County of San Benito the portion of Route 146 within the limits of that county, upon terms and conditions the commission finds to be in the best interests of the state.

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(3) A relinquishment under this subdivision shall become effective immediately after the county recorder records the relinquishment resolution that contains the commission's approval of the terms and conditions of the relinquishment.

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(4) On and after the effective date of the relinquishment, that portion of Route 146 relinquished shall cease to be a state highway and may not be considered for future adoption under Section 81.

- (5) For portions of Route 146 relinquished under this subdivision, the City of Soledad and the Counties of Monterey and San Benito shall maintain within their jurisdiction signs directing motorists to the continuation of Route 146 until the entire route has been relinquished.
- SEC. 27. Section 478 of the Streets and Highways Code is amended to read:
 - 478. (a) Route 178 is from:
 - (1) Bakersfield to Route 14 near Freeman via Walker Pass.
- (2) Route 14 near Freeman to Route 127.
 - (3) Route 127 to the Nevada state line in Pahrump Valley.
- (b) Upon a determination by the commission that it is in the best interests of the state to do so, the commission may, upon terms and conditions approved by it, relinquish to the City of Bakersfield the portion of Route 178 that is located within the city limits of that city if the city agrees to accept it. The following conditions shall apply upon relinquishment:
- (1) The relinquishment shall become effective on the date following the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (2) On and after the effective date of the relinquishment, the relinquished portion of Route 178 shall cease to be a state highway.
- (3) The portion of Route 178 relinquished under this subdivision shall be ineligible for future adoption under Section 81.
- (4) For the portion of Route 178 that is relinquished under this subdivision, the City of Bakersfield shall install and maintain within its jurisdiction signs directing motorists to the continuation of Route 178.
- (b) The relinquished former portion of Route 178 within the City of Bakersfield is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 178, the City of Bakersfield shall install and maintain within its jurisdiction signs directing motorists to the continuation of Route 178.

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1 SEC. 28. Section 485 of the Streets and Highways Code is 2 amended to read:

- 485. (a) Route 185 is from Route 92 in Hayward to Route 77 in Oakland.
- (b) (1) The commission may relinquish to the City of Hayward the portion of Route 185 located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, if the department and the city enter into an agreement providing for that relinquishment.
- (2) A relinquishment under this subdivision shall become effective immediately after the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (3) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 185 relinquished shall cease to be a state highway.
- (B) The portion of Route 185 relinquished shall be ineligible for future adoption under Section 81.
- (4) For relinquished portions of Route 185, the City of Hayward shall maintain signs within its jurisdiction directing motorists to the continuation of Route 185 or to the state highway system, as applicable.
- (b) The relinquished former portion of Route 185 within the City of Hayward is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 185, the City of Hayward shall maintain within its jurisdiction signs directing motorists to the continuation of Route 185 or to the state highway system, as applicable.
- SEC. 29. Section 493 of the Streets and Highways Code is amended to read:
- 32 493. (a) Route 193 is from:
 - (1) Route 65 near Lincoln to Route 80 near Newcastle.
 - (2) Route 49 near Cool to Route 49 near Placerville via Georgetown.
 - (b) Upon a determination by the commission that it is in the best interests of the state to do so, the commission may, upon terms and conditions approved by it, relinquish to the City of Lincoln the portion of Route 193 that is located within the city limits of

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that city if the city agrees to accept it. The following conditions shall apply upon relinquishment:

- (1) The relinquishment shall become effective on the date following the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (2) On and after the effective date of the relinquishment, the relinquished portion of Route 193 shall cease to be a state highway.
- (3) The portion of Route 193 relinquished under this subdivision shall be ineligible for future adoption under Section 81.
- (4) For the portion of Route 193 relinquished under this subdivision, the City of Lincoln shall apply for approval of a Business Route designation for the relinquished portion of the highway in accordance with Chapter 20, Topic 21, of the Highway Design Manual.
- (5) For the portion of Route 193 relinquished under this subdivision, the City of Lincoln shall install and maintain within its jurisdiction signs directing motorists to the continuation of Route 193 to the east and to Routes 65 and 80 to the west.
- (b) The relinquished former portion of Route 193 within the City of Lincoln is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 193, the City of Lincoln shall install and maintain within its jurisdiction signs directing motorists to the continuation of Route 193 to the east and to Routes 65 and 80 to the west. The city may apply to the department for approval of a business route designation in accordance with Chapter 20, Topic 21, of the Highway Design Manual.
- SEC. 30. Section 527 of the Streets and Highways Code is amended to read:
- 527. (a) Route 227 is from Route 1 south of Oceano to Route 101 in San Luis Obispo.
 - (b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Arroyo Grande the portion of Route 227 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, including, but not limited to, a condition that the City of
- 38 Arroyo Grande maintain within its jurisdiction signs directing
- 39 motorists to the continuation of Route 227.

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(2) A relinquishment under this subdivision shall become effective immediately following the recording by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

- (3) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 227 relinquished under this subdivision shall cease to be a state highway.
- (B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.
- (e) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of San Luis Obispo the portion of Route 227 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, including, but not limited to, a condition that the City of San Luis Obispo maintain within its jurisdiction signs directing motorists to the continuation of Route 227.
- (2) A relinquishment under this subdivision shall become effective immediately following the recording by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (3) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 227 relinquished under this subdivision shall cease to be a state highway.
- (B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.
- (4) For the portions of Route 227 that are relinquished, the City of San Luis Obispo shall maintain within its jurisdiction signs directing motorists to the continuation of Route 227.
- (b) The relinquished former portions of Route 227 within the Cities of Arroyo Grande and San Luis Obispo are not state highways and are not eligible for adoption under Section 81. For the relinquished former portion of Route 227, the City of San Luis Obispo shall maintain within its jurisdiction signs directing motorists to the continuation of Route 227.
- 39 SEC. 31. Section 538 of the Streets and Highways Code is 40 amended to read:

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538. (a) Route 238 is from Route 680 in Fremont to Route 61 near San Lorenzo via Hayward.

- (b) (1) The commission may relinquish to the City of Hayward the portion of Route 238 located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, if the department and the city enter into an agreement providing for that relinquishment.
- (2) A relinquishment under this subdivision shall become effective immediately after the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.
- (3) On and after the effective date of the relinquishment, both of the following shall occur:
- (A) The portion of Route 238 relinquished shall cease to be a state highway.
- (B) The portion of Route 238 relinquished shall be ineligible for future adoption under Section 81.
- (4) For relinquished portions of Route 238, the City of Hayward shall maintain signs within its jurisdiction directing motorists to the continuation of Route 238 or to the state highway system, as applicable.
- (b) The relinquished former portion of Route 238 within the City of Hayward is not a state highway and is not eligible for adoption under Section 81. For the relinquished former portion of Route 238, the City of Hayward shall maintain within its jurisdiction signs directing motorists to the continuation of Route 238 or to the state highway system, as applicable.
 - SEC. 32. Section 27314.5 of the Vehicle Code is repealed.
- 27314.5. (a) (1) Subject to paragraph (3), no dealer shall sell or offer for sale any used passenger vehicle of a model year of 1972 to 1990, inclusive, unless there is affixed to the window of the left front door or, if there is no window, to another suitable location so that it may be seen and read by a person standing outside the vehicle at that location, a notice, printed in 14-point type, which reads as follows:

"WARNING: While use of all seat belts reduces the chance of ejection, failure to install and use shoulder harnesses with lap belts can result in serious or fatal injuries in some crashes. Lap-only belts increase the chance of head and neck injury by allowing the upper torso to move unrestrained in a crash and increase the chance

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of spinal column and abdominal injuries by concentrating excessive force on the lower torso. Because children carry a disproportionate amount of body weight above the waist, they are more likely to sustain those injuries. Shoulder harnesses may be available that can be retrofitted in this vehicle. For more information call the Auto Safety Hotline at 1-800-424-9393."

- (2) The notice shall remain affixed to the vehicle pursuant to paragraph (1) at all times that the vehicle is for sale.
- (3) The notice is not required to be affixed to any vehicle equipped with both a lap belt and a shoulder harness for the driver and one passenger in the front seat of the vehicle and for at least two passengers in the rear seat of the vehicle.
- (b) (1) In addition to the requirements of subdivision (a), and subject to paragraph (3) and subdivision (c), the dealer shall affix, to one rear seat lap belt buckle of every used passenger vehicle of a model year of 1972 to 1990, inclusive, that has a rear seat, a notice, printed in 10-point type, that reads as follows:

"WARNING: While use of all seat belts reduces the chance of ejection, failure to install and use shoulder harnesses with lap belts can result in serious or fatal injuries in some crashes. Shoulder harnesses may be available that can be retrofitted in this vehicle. For more information, call the Auto Safety Hotline at 1-800-424-9393."

- (2) The notice shall remain affixed to the vehicle pursuant to paragraph (1) at all times that the vehicle is for sale.
- (3) The message is not required to be affixed to any vehicle either equipped with both a lap belt and a shoulder harness for at least two passengers in the rear seat or having no rear seat lap belts.
- (c) A dealer is not in violation of subdivision (b) unless a private nonprofit entity has furnished a supply of the appropriate notices suitable for affixing as required free of charge or, having requested a resupply of notices, has not received the resupply.
- (d) The department shall furnish, to a nonprofit private entity for purposes of this section, for a fee not to exceed its costs in so furnishing, at least once every six months, a list of all licensed dealers who sell used passenger vehicles.